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Industry Circular



Internal Revenue Service

Alcohol, Tobacco, and Firearms Division
Washington, D.C. 20224

Industry Circular No. 69-12

April 10, 1969

Publication of Revenue Ruling Relating to the Time Limit Within Which Certain Drawback Claims Must be Filed

Manufacturers of nonbeverage products
and other concerned:

A revenue ruling has been published to clarify the meaning of 26 CFR 197.16 as it affects determinations of whether drawback claims have been timely filed. See Revenue Ruling 69-138, I.R.B. 1969-12, 27.

With reference to the use of taxpaid alcohol on which drawback of tax is to be claimed, the revenue ruling holds substantially as follows:

The time of use as defined in 26 CFR 197.16 means that time when all of the ingredients called for by an approved formula are first mixed together, and the term "approved formula," as used in the cited section, means a formula on Form 1678 which has been approved without limitation, by the Director, as being eligible for drawback. The term "approved formula" does not mean a formula for an "intermediate product," as defined by 26 CFR 197.12. Accordingly, where alcohol is used, as discussed above, under a formula which has been approved for drawback, by the Director, the manufacturer must file his claim before the end of the six months next succeeding the quarter during which the alcohol was so used and, even though the manufacturer may have designated that particular formula as "intermediate," the time for filing his claim for the alcohol so used may not be based on the time when he uses the resulting products in another product pursuant to another approved formula. Also, where alcohol is used, as discussed above, under a formula which calls for additional processing or treatment after all of the ingredients have been added, the time for filing the claim must be based on the time when all of the ingredients have been added rather than on the time when the additional processing or treatment has been completed.

Inquiries concerning this circular should refer to its number and be addressed to your Assistant Regional Commissioner, Alcohol, Tobacco and Firearms.

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